Manulife Financial

For your future™

Overview of Group Retirement Savings Plans

Group Retirement Solutions

Learn more about capital accumulation plans available through Manulife Financial

Choosing the right group retirement solution to meet the needs of your company can be challenging. With the number of options available, which one suits your needs? At Manulife Financial, we understand each customer is unique.

This overview briefly introduces the variety of capital accumulation plans available through Manulife Financial. Manulife offers the choice, flexibility, and security you need to create the right group retirement solution for you and your plan members.

	Plan Registration	Eligibility	Contribution Limits	Contribution Frequency
Defined Contribution Pension Plan A plan designed to attract and retain good employees by encouraging long-term saving and loyalty through a variable vesting schedule and a locking-in feature.	Plan must be registered with the Canada Revenue Agency (CRA) and meet any provincial legislative requirements. Restrictions on plan design apply regarding vesting, contributions, eligibility, etc. Plans are subject to annual provincial filing fees.	In most provinces, employees must be eligible for membership after two years of service. Part-time employees may need to meet specified earnings or hours criteria.	Contribution limits are set at 18% of current year's earned income to a maximum of $24,930 in 2014. These limits are updated annually. The formula may be a fixed percentage of salary or flat amount. Minimum employer contribution is 1% of employee earnings.	Employee contributions must generally be made within 30 days of the end of the month in which they were deducted. Employer contributions must generally be made 30 days after the month for which contributions are payable.
Deferred Profit Sharing Plan A plan designed for employers to contribute to employees' retirement by sharing the company's profits.	Must be CRA registered and held in trust.	Employees are not eligible if related to the employer, or to a specified shareholder of the employer's firm or a related company.	Employer contributions are limited to the lesser of 18% of compensation from the employer, the DPSP dollar limit for the year (currently $12,465 in 2014) or half the Defined Contribution Pension Plan limit.	Employer contributions are determined by the plan provisions and company profitability. Contribution frequency is not governed by legislation. Employee contributions are not permitted.
Group Registered Retirement Savings Plan A plan that is easily set up and provides employees with numerous benefits towards saving for their retirement.	Specimen plan is CRA registered.	Eligibility is not governed by provincial legislation. Employers may limit eligibility according to any criteria.	Contribution limits are set at 18% of previous year's earned income to a maximum of $24,270 in 2014. These limits are updated annually.	None
Employee Savings Plan / Non-registered Plan An additional savings account that a member can access at anytime.	Governed by Income Tax Act (ITA) requirements.	Eligibility is not governed by provincial legislation. Employers may limit eligibility according to any criteria.	An Employee Savings Plan is a non tax-sheltered vehicle, without contribution limits.	None
Group Tax-Free Savings Account An additional savings account that enables money to grow tax free.	Governed by Income Tax Act (ITA) requirements. Specimen plan is CRA registered.	Eligibility is not governed by provincial legislation. Employers may limit eligibility according to any criteria.	The contribution limit is $5,500 per year. This annual dollar amount has been indexed to the inflation rate. Withdrawals in a year will be added back to the member's contribution room the following year.	None

** For more detailed information, please contact your Manulife Financial representative.*

	Employer Contributions – Tax Implications	Pension Adjustment (PA) – RRSP Room	Vesting	Withdrawal Restrictions
Defined Contribution Pension Plan A plan designed to attract and retain good employees by encouraging long-term saving and loyalty through a variable vesting schedule and a locking-in feature.	Employer contributions are tax deductible. They are not considered additional salary or a taxable benefit and do not generate payroll taxes.	Pension adjustment (PA) is calculated as the total of employer and employee contributions for the year, plus any forfeitures allocated to employees for that year if applicable.	Province specifies minimum requirements, usually after two years of plan membership or sooner. Plan provisions may specify sooner than two years. Quebec is immediate.	No in-service withdrawals allowed. At termination, in most provinces, employee and employer contributions are locked-in after two years of plan membership, or earlier if specified by plan provisions. Plan specifications may allow withdrawal of employee voluntary contributions.
Deferred Profit Sharing Plan A plan designed for employers to contribute to employees' retirement by sharing the company's profits.	Employer contributions are a deductible expense. They are not considered additional salary or a taxable benefit and do not generate payroll taxes.	PA is equal to employer contributions credited as a current year item, plus contributions made in the first 60 days of the next year, plus any forfeitures allocated to employees.	Contributions must be vested after two years of plan membership or sooner. Plan provisions may specify sooner than two years.	Vested employer contributions may be withdrawn while employed if employer permits.
Group Registered Retirement Savings Plan A plan that is easily set up and provides employees with numerous benefits towards saving for their retirement.	Employer contributions are a deductible expense and are considered a taxable benefit to the employee.	Contributions to a Group Registered Retirement Savings Plan and an individual Registered Retirement Savings Plan must be within the employee's contribution limit, 18% of previous year's income to a maximum of $24,270 in 2014, plus any previous year's unused contribution room less any pension adjustments.	Employee is immediately entitled to all employer contributions.	May be restricted in a structured Registered Retirement Savings Plan by the employer as specified by the plan agreement.
Employee Savings Plan / Non-registered Plan An additional savings account that a member can access at anytime.	Employer contributions are a tax deductible expense and create an additional payroll tax expense for the employer.	None	Not governed by legislation. Employer may define vesting terms and schedule.	Subject to withdrawal restrictions.
Group Tax-Free Savings Account An additional savings account that enables money to grow tax free.	Employer contributions are a tax deductible expense and create an additional payroll tax expense for the employer.	None	Employee is immediately entitled to all employer contributions.	May be defined by the employer as specified by the plan agreements.

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	Investment Options	Options at Retirement	Options on Termination	Options on Death
Defined Contribution Pension Plan A plan designed to attract and retain good employees by encouraging long-term saving and loyalty through a variable vesting schedule and a locking-in feature.	Employer may restrict fund managers and investment options.	Proceeds must be used to purchase an annuity or be transferred to a Life Income Fund, Locked-In Retirement Income Fund or Prescribed Retirement Income Fund for subsequent periodic withdrawal.	Portability as specified by plan. Subject to locking-in rules. Locked-in contributions must be transferred to a locked-in Registered Retirement Savings Plan, Registered Pension Plan or Locked-in Retirement Account. Non-locked-in and voluntary contributions may be withdrawn as taxable cash payments or transferred to a Registered Pension Plan or an RRSP.	Spouse may generally transfer death benefit on a tax-sheltered basis, usually locked-in, to a Registered Retirement Savings Plan, Life Income Fund, Locked-in Retirement Account or Locked-in Retirement Income Fund. If not lockedin the spouse may receive a taxable cash payment. Other beneficiaries may receive the benefit as a taxable cash payment if spouse waives rights.
Deferred Profit Sharing Plan A plan designed for employers to contribute to employees' retirement by sharing the company's profits.	Employer may restrict fund managers and investment options. Employer stock is an eligible investment.	Account balance may be used to purchase an annuity or a Registered Retirement Income Fund, or be withdrawn in a lump sum. Assets must be removed within 90 days of termination.	May be rolled into a Registered Retirement Savings Plan, Registered Retirement Income Fund, paid in a lump sum or paid in installments as an annuity. Assets must be removed within 90 days of terminating.	Spouse and minor beneficiaries may generally transfer death benefit on a tax- sheltered basis to a Registered Retirement Savings Plan or Registered Retirement Income Fund, or receive a taxable cash payment. Other beneficiaries must receive a taxable cash payment.
Group Registered Retirement Savings Plan A plan that is easily set up and provides employees with numerous benefits towards saving for their retirement.	Employer may restrict fund managers and investment options. Employer stock is an eligible investment.	Account balance may be used to purchase an annuity or a Registered Retirement Income Fund, or be withdrawn in a lump sum.	Employees can withdraw all funds (employer and employee) or roll over into either an individual Registered Retirement Savings Plan or a Registered Retirement Income Fund. Cash withdrawals are treated as taxable income and subject to income tax.	Spouse may generally transfer death benefit on a tax-sheltered basis to a Registered Retirement Savings Plan or Registered Retirement Income Fund, or receive a taxable cash payment. Other beneficiaries must receive a taxable cash payment. Minors can take a nontaxable annuity to age 18.
Employee Savings Plan / Non-registered Plan An additional savings account that a member can access at anytime.	Employer may restrict fund managers and investment options. Employer stock is an eligible investment.	Employees may withdraw their account balance.	Employees may withdraw their account balance – no taxes are withheld.	Account balances may be paid out in a lump-sum to a designated beneficiary.
Group Tax-Free Savings Account An additional savings account that enables money to grow tax free.	Employer may restrict fund managers and investment options.	No retirement requirement. Employees may withdraw their account balance or transfer to another TFSA.	Employees may withdraw their account balance (no taxes are withheld) or transfer to another TFSA.	Successor Account Holder can assume the TFSA account. A spouse may transfer account balance to their own TFSA or receive a cash payment. Other beneficiaries must receive a taxable cash payment.

** For more detailed information, please contact your Manulife Financial representative.*

For more information about our products and investments, contact your local Group Retirement Solutions Representative.

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GP4618E 03/2014